

Fixing Our Immigration System: The Economic Impact on Southwest Border Communities



PRESIDENT BARACK OBAMA GIVES REMARKS ON COMPREHENSIVE IMMIGRATION REFORM AT THE CHAMIZAL NATIONAL MEMORIAL IN EL PASO, TEXAS, MAY 10, 2011. (OFFICIAL WHITE HOUSE PHOTO BY PETE SOUZA)

“Between our two countries, we’re some 430 million people. Tens of millions of Mexican Americans enrich our national life in the United States. Well over 1 million Americans live here in Mexico. Every year, millions of tourists -- most of them from the United States -- visit this magnificent country. Every day, millions of workers in our countries earn a living from the jobs that are made possible by our trade, and more than 1 million people cross our shared border -- businesspeople, students, educators, scientists, researchers, collaborating in every sphere of human endeavor.”

– President Barack Obama, May 2, 2013

The Southwest border is a region rich in history and culture, economically vibrant, and fueled by international travel and trade between the United States and Mexico. From California to Texas, the cities spanning the U.S.- Mexico border are vital to the economies of both nations. These multicultural communities are hubs of commercial, educational, and artistic activity. Our U.S. border communities are among America's safest cities, with crime rates in cities along the border staying steady or dropping over the past decade. The populations of California, Arizona, Texas, and New Mexico have grown significantly and will continue to grow, and demographers estimate that the population of many border cities will double in the next 30 years. The Southwest border region is a frontier of economic opportunity, a region that represents the vital relationship between the U.S. and Mexico.

In recognition of the importance of the Southwest Border region and the critical role that border states play in the U.S. economy, President Obama remains committed to supporting the border region by enhancing trade relations with Mexico and encouraging strong and smart border security. The Obama Administration believes the U.S.-Mexico border needs to be fully modernized and has invested significant federal resources to create a “21st Century Border.” Most recently, Vice-President Biden participated in the first-ever U.S.-Mexico High Level Economic Dialogue (HLED), co-chaired by the U.S. Department of State, U.S. Department of Commerce, Office of the U.S. Trade Representative and their Mexican counterparts. The Dialogue highlighted the fact that, for this Administration, the relationship with Mexico includes the immense economic potential of collaboration and exchange between the two countries. The High Level Economic Dialogue will continue to meet annually to build on and promote sustained progress on a range of existing successful bilateral dialogues including initiatives to promote continued economic growth in the U.S.-Mexico border region.

One of the key components of the President’s plan to create a 21st Century Border is commonsense immigration reform. The Senate’s bipartisan immigration reform bill (S. 744, The Border Security, Economic Opportunity, and Immigration Modernization Act of 2013) would significantly impact the border region by encouraging more efficient trade and rationalizing our immigration system, thereby improving not only the American economy as a whole but the economic and social well-being of border communities. The Senate’s Border Security, Economic Opportunity and Immigration Modernization Act (S. 744) represents the best chance that our country has had in years to transform our immigration system, and key provisions will have significant and lasting benefits for the Southwest Border region.

The Obama Administration’s Commitment to the Southwest Border Region

- Over the last five years, the President’s Budget has annually supported investments in personnel, technology, equipment, and infrastructure to improve the speed and security of travelers and goods entering and exiting the United States.
- The Administration has increased the number of U.S. Customs and Border Protection (CBP) personnel ensuring the secure flow of people and goods into our nation. Today, we have more than 21,000 officers and 2,400 agriculture specialists, up from 17,000 customs and immigration inspectors in 2003.
- In the President’s FY13 Budget request, the Administration proposed providing CBP with the authority to enter into public-private partnerships to increase CBP staffing at specific ports of entry. This summer, CBP announced the first participants of this program, with four out of the five - Dallas/Fort Worth International Airport; The City of El Paso, TX; South Texas Assets Consortium; and Houston Airport System – located at or near the southwest border.¹ These types of innovative collaborations enable CBP to be more responsive to the requests of U.S. businesses and localities and will reduce wait times at the participating air and land ports of entry.
- As part of President Obama’s National Export Initiative, experts from the Department of Homeland Security and the Department of Commerce have worked closely with state officials and private sector leaders in Arizona, California, New

¹ Department of Homeland Security, *CBP Announces Partnerships for New and Expanded Services*, http://www.cbp.gov/xp/cgov/newsroom/news_releases/national/08022013_8.xml

Mexico and Texas to promote cross-border trade, especially among small and medium-sized U.S. businesses seeking to tap into new markets.

- The Obama administration has made historic investments and deployments of manpower, technology and infrastructure to help secure our Southwest border and thwart illegal activity. These efforts are producing results:
 - Outbound operations have resulted in the seizure of record numbers of guns and currency heading out of the U.S. Between fiscal years 2009 and 2010, U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement seized 81% more currency, 25% more drugs, and 47% more weapons along the Southwest border than they did between fiscal years 2007 and 2008.
 - Border Patrol apprehensions of illegal aliens—the best indicator of illegal immigration—have dropped by 36% over the past two years to less than a third of its all-time high, indicating that illegal immigration is on the decline

The U.S.–Mexico Trade Relationship: Critical for the American Economy and Border States

- Mexico is one of America's most important trading partners with bilateral trade exceeding half a trillion dollars last year, equivalent to approximately 3% of U.S. GDP. The U.S. exports more to Mexico than any other country save Canada.² Approximately 6 million U.S. jobs depend on trade with Mexico; that means 1 in 24 Americans depends on Mexico for their employment.
- Trade with Mexico has increased significantly in recent years: last year, U.S. exports of goods to Mexico totaled \$163.3 billion, an increase of 27% over 2009. In 2011, U.S. exports to Mexico grew by \$34 billion – the biggest dollar increase in U.S. exports to any market worldwide.
- U.S.-Mexican trade is especially important for the border region. More than half a million people and a little less than a billion dollars in goods cross the border each day; the U.S. and Mexican states that line the border have a combined GDP of upwards of \$3.5 trillion.³

²*Working Together: Economic Ties between the United States and Mexico*, Christopher Wilson, Woodrow Wilson International Institute for Scholars, <http://www.wilsoncenter.org/sites/default/files/Working%20Together%20Full%20Document.pdf>.

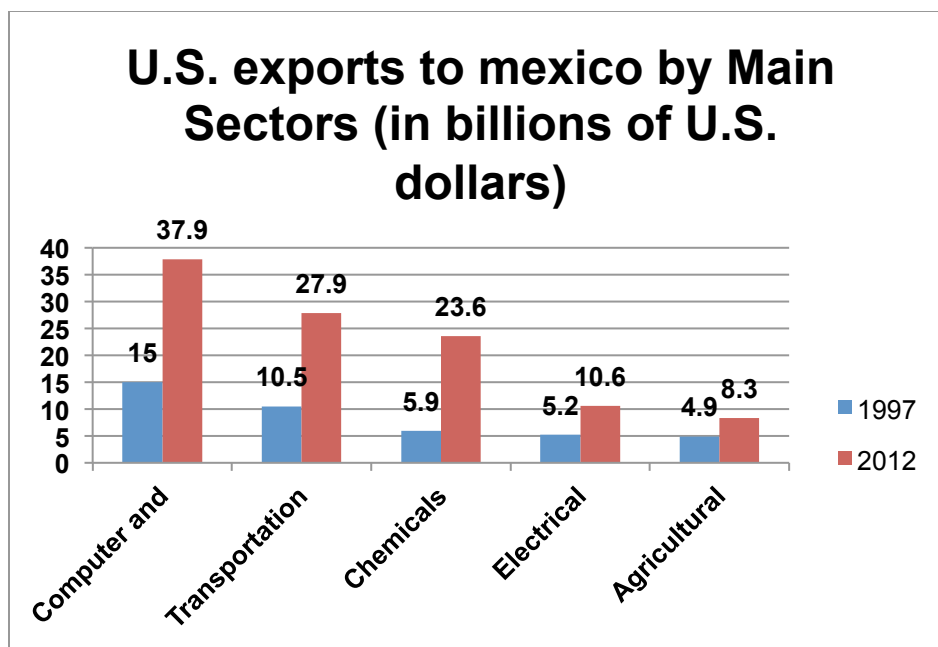
³ *Working Together: Economic Ties between the United States and Mexico*, Wilson.



- Mexico is the most important export market for Arizona, Texas and California and the second most important market for New Mexico;⁴ across the Border States, more than a million jobs depend on trade with Mexico, including nearly 700,000 in California and 450,000 in Texas alone.
- One of the most important industries in the border region is tourism. The U.S. welcomed more visitors from Mexico than from any country but Canada; more than 13 million Mexicans visited the U.S. in 2011, spending approximately \$9.25 billion.⁵ The four Border States are the key gateways for these tourists, who bring significant economic benefits to border communities.
- The Border States are not the only states which benefit from U.S.-Mexican trade relations. Mexico is the first or second most important export market for 23 U.S. states, including states as far away as New Hampshire. Twenty states sell more than \$1 billion worth of goods to Mexico each year.

⁴ U.S. Census Bureau

⁵Realizing the Strategic National Value of our Trade, Tourism and Ports of Entry with Mexico , [New Policy Institute, , http://ndn.org/sites/default/files/blog_files/NPI%20U%20S%20-Mexico%20Trade%20Tourism%20POE%20Report_0.pdf](http://ndn.org/sites/default/files/blog_files/NPI%20U%20S%20-Mexico%20Trade%20Tourism%20POE%20Report_0.pdf)



Benefits of Commonsense Immigration Reform for Border Communities

The Senate's Border Security, Economic Opportunity and Immigration Modernization Act (S. 744) represents the best chance that our country has had in years to modernize our immigration system, and key provisions would have significant and lasting benefits for the Southwest Border region.

S. 744 will improve land ports of entry and decrease wait times for border crossings.

- S. 744 includes a measure – repeated in the President's FY 2014 Budget – to add nearly 3,500 new Customs and Border Protection Officers (CBPOs) to the Department of Homeland Security, bringing the total number to over 25,250, the highest staffing level in history.
- This request was based on a comprehensive workload staffing model developed by CBP and validated by independent review, which assesses personnel needs against projected increases of travel and trade to the U.S. while also taking into account the impact of other investments, such as technology, on wait times.⁶
 - These officers would help address the growing pressures at our ports of entry as travel continues to rise while also resulting in more seizures of illegal items.
 - The addition of nearly 3,500 CBPOs is expected to add over 115,000 new jobs annually and increase GDP by \$7 billion.⁷
 - Additionally, many of these new officers would be deployed to the busiest air and land ports of entry today. Land ports of entry in locations such as San

⁶ *The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry*, National Center for Risk and Economic Analysis of Terrorism Events, University of Southern California.

Ysidro and Calexico in California, Laredo, Texas, and Nogales, Arizona would likely see between a 40% to 50% reduction in peak wait-times.

S. 744 will bolster tourism to the U.S. and contribute to the continued growth of the travel industry, a substantial component of GDP and employment.

- Travel and tourism comprise the largest service-export industry in the U.S., setting a record \$165.6 billion in exports in 2012 and supporting 7.8 million jobs in 2012. The U.S. Department of Commerce projects international travel to the United States will continue to grow strongly through at least 2018. In 2011, approximately 13 million Mexican tourists traveled to the U.S. and spent approximately \$9.25 billion in American businesses, including in many border communities.
- S. 744 will ensure that the U.S. reaps the benefit of this projected future growth in international tourism by improving visa and foreign visitor processing, while ensuring the America is promoted abroad as an attractive travel destination.

S. 744 will help the agricultural industry along the border

- In recent years, the agriculture sector has seen strong growth, with farm income and agriculture exports both reaching historic highs. In 2013, net farm income is forecast to total \$128.2 billion, which would be the highest level since 1973 after adjusting for inflation.⁸ The value of agriculture exports has steadily risen in recent years and is projected to reach \$135.8 billion in 2013, which would also establish a new record.⁹
- The Senate bill provides for a dependable, stable workforce, boosting agriculture output and production while creating new jobs.
 - For farm workers who live in the shadows, the bill will provide an opportunity to earn legal status by contributing to America's agricultural economy: if enacted, the Senate bill is estimated to allow an estimated 1.5 million agricultural workers and their dependents to obtain legal status.
 - For growers, it will provide a skilled and reliable workforce by phasing out the existing H-2A visa program and establish two new temporary worker visas: one for agricultural workers with a written contract for employment (W-3) and one for agricultural workers with an offer of employment (W-4).
- According to one study, an expanded temporary worker program – like the one provided by the Senate bill – would boost economic output and increase total employment by nearly 17,000 in 2014.

S. 744 will provide an earned path to citizenship

- Today, there are 11 million people living and working in the shadow economy while too many employers hire undocumented workers, undercutting employees and businesses that play by the rules. In the four Border States alone, over 4.5 million people are living and working in the shadows.¹⁰

⁸ U.S. Department of Agriculture, Economic Research Service, "Highlights from the 2013 Farm Income Forecast," webpage, February 25, 2013, <http://ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-2013-farm-income-forecast.aspx#.UfLFj9LtV8E>.

⁹ U.S. Department of Agriculture, Office of the Chief Economist, *USDA Agricultural Projections to 2022*, Long-term Projections Report OCE-2013-1, February 2013, <http://www.ers.usda.gov/media/1013562/oce131.pdf>.

¹⁰ Unauthorized Immigrant Population: National and State Trends, 2010, Pew Research Hispanic Trends Project, <http://www.pewhispanic.org/2011/02/01/iv-state-settlement-patterns/>.

- A range of economic research has shown that immigrants living and working in the United States without authorization are earning far less than their potential, paying much less in taxes, and contributing significantly less to the U.S. economy than they would if they were given the opportunity to gain legal status and earn U.S. citizenship.
- According to outside estimates, providing earned citizenship for these workers would boost U.S. GDP by \$1.4 trillion, increase total income for all Americans by \$791 billion, generate \$184 billion in additional state and federal tax revenue from currently undocumented immigrants, and add about 2 million jobs to the U.S. economy. While earned citizenship clearly benefits our national economy, it also impacts and strengthens the communities where those who earn citizenship live and work, including those communities located along the southwest border.

S.744 will reunite families by eliminating the backlog of family-based visas.

- The prospect of family reunification has been a cornerstone of U.S. immigration policy throughout our nation's history. Family-sponsored immigration also has significant economic benefits, especially for long-term economic growth. According to the National Foundation for American Policy, family-sponsored immigration supports the establishment and operation of small businesses in the United States.¹¹
- Current family immigrant visa backlogs are separating families in Southwest border communities and in other states for years and even decades. For example, as of November 1, 2012, 30% of individuals in the immigrant waiting list were Mexican, the vast majority being sponsored by a family member. This means that approximately 1.3 million Mexicans are separated from their spouses, children and other family members.
- The Senate bill would eliminate the family-based visa backlog in part by exempting spouses and unmarried children of permanent residents from annual limitations on family-sponsored green cards, treating them like spouses and children of U.S. citizens.

¹¹ Anderson, Stuart. "Family Immigration: The Long Wait to Immigrate." National Foundation for American Policy, Policy Brief. May 2010: 7. <http://www.nfap.com/pdf/0505brief-family-immigration.pdf>.